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SUBJECT: DEBATING THE EU-CARIFORUM TRADE AGREEMENT

11. SUMMARY: A dynamic debate on February 29 about the Economic Partnership Agreement (EPA) between the EU and CARIFORUM (CARICOM and the Dominican Republic) at the University of the West Indies (UWI) highlighted concerns about the lack of civil society involvement in negotiations, the inadequacies of CARIFORUM's negotiating mechanism, and the real and perceived asymmetries of the agreement. Participants also voiced concern that this agreement sets a precedent for future trade negotiations between the Caribbean and the U.S. END SUMMARY

12. At a forum entitled "The Economic Partnership Agreement (EPA): Threat or Opportunity?" on February 29 at the University of the West Indies' (UWI) Sir Arthur Lewis Institute of Social and Economic Studies (SALISES), panelists and audience members raised several concerns about the EU-CARIFORUM trade agreement. Panelists included David Abdullah of the Federation of Independent Trade Unions and Non-Governmental Organizations (FITUN); Professor Norman Girvan of the Institute of International Relations at the University of the West Indies (UWI); Mr. Stylianos Christopoulos, Charge d'Affaires of the Delegation of the European Commission in Trinidad and Tobago; and Ms. Diane Seukaran, Former Minister in the Ministry of Trade and a member of the Trinidad and Tobago EPA negotiating team. The three subjects dominating the discussion were CARIFORUM's negotiating machinery, the asymmetrical nature of both the negotiations and the agreement, and the implications of this agreement for future Caribbean trade negotiations dominated the discussion.

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A Role for Civil Society?  
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13. While audience members decried the lack of public debate during EPA negotiations, Seukaran and Abdullah defended the Ministry of Trade, stating that it did take steps to engage civil society in discussions. Abdullah noted that FITUN participated in a trade negotiation advisory committee to the Ministry of Trade, but some unions may have been unable to articulate their positions because of a lack of resources. He added that while there is a culture of negotiation in T&T, the formal system for civil society participation is inadequate. Seukaran was far less accepting of the public's criticism, questioning why the public was only now becoming interested in the EPA, when it had had ample opportunity to engage in the debate during the negotiation process.

14. According to Abdullah, although the Caribbean Regional Negotiating Machinery (CRNM) did engage civil society, the CRNM did not always fully consider civil society input in the later stages of negotiations, particularly with regards to the fast approaching deadline for concluding the EPA. Girvan insisted the interests of exporters drove the negotiating process. He pointed out that had CARIFORUM not concluded the EPA, the region's exports to Europe would have faced GSP tariffs, trade terms that would have negatively

affected exporters. He accused the CRNM of being reactionary and lacking strategic objectives to guide the negotiating process. Seukaran expressed concern about the inadequate communication between ministries affected by the agreement and noted that the flow of information must be improved, not only between ministries but between the GOTT and the public during the implementation phase.

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Questioning the Negotiating Machinery  
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¶5. Calling the CRNM a "runaway horse", Seukaran stated she was at times ill prepared for negotiating sessions, often receiving information intended to inform discussions just hours before attending talks in Brussels. Moreover, Seukaran did not believe the Trinidad and Tobago team was well equipped to address the challenges of negotiating with the EU. She remarked that countries with far fewer resources than T&T, such as the Dominican Republic and Costa Rica, were better prepared for the negotiations. Shirley Ann Clark, a Ministry of Foreign Affairs representative and former negotiator for T&T at the WTO, echoed Seukaran's concerns about the failure of T&T to properly prepare its negotiating teams. As a negotiator at the WTO, Clark said she felt particularly handicapped by what she identified as T&T's inability to define its trade interests. Without a clear outline of local interests, she found it difficult to advocate for T&T's national interests.

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EU Exploitation or Assistance?  
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¶6. A number of audience members criticized both the negotiating process and the agreement, perceived as favoring the EU. Audience members implied and in some cases bluntly stated that the EPA was a

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throwback to colonial mercantilist practices. At the same time, however, contributors complained that the EU was not providing enough development and implementation assistance to the region in return for liberalization. Girvan agreed with this latter criticism about the inadequacy of the agreement's provisions on development assistance to protect the region from exploitation. Girvan also pointed to certain technical barriers such as rules of origin and professional services requirements which put Caribbean firms at a disadvantage in gaining access to European markets. Further, Girvan claimed the agreement's intellectual property rights and labor stipulations, among others, signaled that the EU's primary goal was to maintain the competitiveness of its firms, not support the economic development of the Caribbean region. One audience member was far more blunt, stating that the EPA was about "world dominance", not development.

¶7. Christopoulos argued that the trade benefits of the agreement were marginal for the EU. Instead of trade, he said the EU's motivations center around stability, security, and peace in the region. Stability, he noted, is a precondition for trade and foreign direct investment.

¶8. While not explicitly stating that the agreement was biased against T&T, Seukaran stated that as a donor, the EU inherently had an advantage in negotiations. However, Seukaran did acknowledge that the EU entered EPA negotiations in order to comply with WTO requirements. Further, she argued the EU does seek to maintain its competitive business markets just as T&T strives to ensure a competitive business environment for its firms. Unlike Girvan, Seukaran did not cast this goal in a negative light, instead pointing to its rationality. She noted that the Caribbean also needs to be WTO and WTO plus compliant in order to compete in the "real world". Finally, she highlighted that the "colonizers" are no longer the country's key competitors or trading partners, pointing instead to Brazil, China, and the ASEAN nations as being fierce competitors and key markets. Agreeing with Seukaran, Christopoulos noted the importance of Caribbean competitiveness with respect to Brazilian and Chinese companies.

¶9. Girvan noted that since neither CARICOM nor CARIFORUM had the authority to ratify the EPA on behalf of member states, the EPA was in effect a series of individual agreements with the EU. In his assessment, this fact undermines regional integration and pits the CARIFORUM states against one another, each angling to be the first to ratify and offer the most progressive tariff schemes. Abdullah questioned why such an agreement was feasible with an external party, such as the EU, when similar liberalization could not be achieved within the CARICOM Single Market and Economy (CSME). In Christopoulos' estimation, however, the EPA will assist CSME development by guaranteeing all CARICOM countries the same treatment within CARICOM as they have granted to the EU.

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The Future of the EPA

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¶10. While the EPA has been initialed by CARIFORUM, it has not been signed by Trinidad and Tobago or any other CARIFORUM state. Seukaran suggested that there is still time for national debate as T&T reviews the agreement. In fact, she recommended that T&T delay the signing of the agreement, stating that the EPA is "a full but incomplete agreement." Highlighting the binding nature of the agreement, Seukaran suggested that it is important for T&T to review all 1200 pages of the document to identify element for renegotiation. A representative from the Trinidad and Tobago Manufacturing Association agreed, suggesting that T&T needs to delay the signing in order to negotiate adjustments to the agreement and allow for "policy space". (NOTE: The EPA was supposed to be signed in April 2008, but CARICOM leaders pushed this date back to June 2008 at their most recent meeting in the Bahamas. END NOTE) Abdullah predicted that the EPA would fall apart as the FTAA had. Regardless of how the debate proceeds, there was general agreement and clear concerns that the EPA sets a precedent for future CARICOM trade negotiations with both Canada and the U.S.

¶11. COMMENT: The initialing of CARICOM's first reciprocal trade agreement with a developed country trading partner has unleashed vigorous discussion about whether CARICOM is ready for it, along with currents of distrust for the EU and the Caribbean Regional Negotiating Mechanism (CRNM). While the GOTT did not assume a high profile role in the EU-CARIFORUM negotiations, Trade Ministry Keith Rowley is publicly defending the agreement. All signs point to

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Trinidad and Tobago signing the EPA and resuming its role as an instigator of CARICOM trade negotiations with other partners, starting with Canada and Central America.

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